

Legislation Text

File #: BILL NO. 19-16, **Version:** 1

An Ordinance approving the Streets of West Pryor Transportation Development District Cooperative Agreement among Streets of West Pryor, LLC, the City of Lee's Summit, Missouri, and the Streets of West Pryor Transportation Development District.

(Note: First Reading by City Council on January 8, 2019.)

Issue/Request:

Ordinance to approve the Streets of West Pryor TDD Cooperative Agreement

Key Issues:

The TDD Agreement will implement the Streets of West Pryor TDD.

Proposed City Council Motion:

I move for adoption of an Ordinance Approving the Streets of West Pryor Transportation Development District Cooperative Agreement Among the Streets of West Pryor, LLC, the City of Lee's Summit, Missouri, and the Streets of West Pryor Transportation Development District.

Background:

A memorandum from the Law Department provides a summary of the Agreement, portions of which are repeated here:

Sales Tax Rate:

The TDD will impose a 0.5% sales tax on all retail sales in the project area.

Administrative Costs:

The TDD will be able to fund administrative costs in an amount not to exceed \$25,000 for the operation of the district. City will receive actual costs for the administrative services performed by the City, up to an annual maximum of \$5,000.

Collection and Distribution of District Sales Taxes:

The sales tax revenues for the TDD will be remitted to the Department of Revenue by each business in the district area. The revenues will then be transferred by wire from DOR to the City. The City Finance Department will distribute the revenues in accordance with the cooperative agreement and the appropriate provision of bond documents if bonds are issued. The general order of distribution will be first pulling 50% of the district revenues into the TIF Special Allocation Fund, and then paying for administrative costs and distributing the remainder to the bond trustee (if bonds have been issued) or to the Developer for reimbursement of eligible Reimbursable Project Costs that have been certified by the City pursuant to the TIF Contract.

Annual Budgeting:

The TDD will be required to adopt an annual budget. The budget must be delivered to the City Finance Department at least 90 days prior to adoption for review and comment. The budget must incorporate the City's reasonable comments.

Approvals for Reimbursement:

Developer is required to submit request for reimbursement to the Finance Director. Reimbursement requests will be

reviewed and approved in the same manner as specified in the TIF Contract. Developer must prove that reimbursable cost have been incurred with proof and documentation.

Approval of Plans & Specifications, Dedication of Improvements:

All improvements that are within the City's right-of-way or within the project area and which will be reimbursed with district revenues must be constructed in accordance with all normally applicable City Code requirements. When improvements funded by the TDD are constructed within City right-of-way, the improvements must be inspected and dedicated to the City in accordance with all normally applicable City Code requirements.

Issuance of Bonds:

Developer is general proposing that bonds would be issued by the City, or another issuer as approved by the City, and the TDD revenues which are not captured by the TIF Plan will be dedicated as one of several repayment sources for the bonds. The process for issuance of bonds will be controlled by the provisions of the TIF Contract. Bonds cannot be issued by either district without City approval.

Impact/Analysis:

This ordinance will approve the TDD agreement, which does not impose any unfunded liabilities on the City. The City's administrative costs which are incurred pursuant to this agreement will be funded from TDD revenues.

Timeline:

The Developer and City will take steps to form the TDD and implement the TDD sales tax this year. The project will be constructed in accordance with the schedule in the TIF Contract.

David Bushek, Chief Counsel of Economic Development & Planning
Mark Dunning, Assistant City Manager

Recommendation: Staff recommends approval of this ordinance.